

March 3, 2003

To: Supervisor Yvonne Brathwaite Burke, Chair
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: David E. Janssen
Chief Administrative Officer

MOTION TO SUPPORT H.R. 715, THE UNITED STATES INDEPENDENT FILM AND TELEVISION PRODUCTION INCENTIVE ACT OF 2003, (ITEM NO. 4, AGENDA OF MARCH 4, 2003)

Item No. 4 on the March 4, 2003 Agenda is a motion by Supervisor Antonovich to support H.R. 715, the United States Independent Film and Television Incentive Act of 2003 (Dreier), and send five-signature letters to the Speaker of the House of Representatives, the House Minority Leader, Senate Majority and Minority Leaders, and Congressmen Dreier and Berman in support of this bill with copies to the Los Angeles County Congressional delegation.

H.R. 715 would amend the Internal Revenue Code to allow a United States independent film and television production wage credit. It is a response to the increasing number of projects which are being filmed in Canada and other countries which offer tax incentives, credits and loans. According to Congressman Dreier, this bill is targeted at a segment of the market most vulnerable to runaway production, small and independent film and television productions. In most cases, the proposed credit would be 25 percent of the first \$25,000 in qualified wages per employee. The credit would rise to 35 percent of the first \$25,000 when a production is located in a low-income community or a distressed county or isolated area of distress.

Your Board is already on record in support of incentives to reduce "runaway production." Most recently, your Board voted on July 16, 2002, to support AB 2747 (Wesson), which would have provided a wage-based tax credit to encourage movie and TV production to occur in California. That bill failed passage in the Senate Appropriations Committee.

H.R. 715 was referred to the House Ways and Means Committee on February 12, 2003. There are currently 48 cosponsors (31 Democrats and 17 Republicans).

DEJ:GK
MAL:CG:ib

c: Executive Officer, Board of Supervisors
County Counsel